

## **I. Overview**

### **A. Purpose**

(This section could illustrate the importance of strengthening planning for housing and community revitalization and its linkages to the overall State Development Plan.)

The integration of the State Housing Plan with the overall State Development Plan is important for Smart Growth in order for both people and communities to thrive and prosper. **Affordable housing needs to be a core element of the Smart Growth agenda.**

Smart Growth demands a comprehensive approach to program and policy decision making at both the State and local levels. Maryland's state housing plan recognizes the vital relationship between affordable housing, community and economic development, land use, environmental conservation, and transportation in achieving Smart Growth objectives. It will encourage and facilitate consideration of housing priorities in the evaluation of economic, land use, and transportation issues. Such consideration furthers Smart Growth and sustainability by ensuring that all Marylanders have the opportunity to live in affordable and vibrant communities in close proximity to employment, cultural, and educational centers.

Focusing investment in Housing and related neighborhood development in areas close to job centers and transit is critical for achieving the State's goals for Smart Growth. And, the State has an important role to play in financing the needed range of community housing options in appropriate growth areas and in coordination with other State agency investments. Therefore, it is important that the State Housing Plan be integrated with the overall State Development Plan. Smart Growth demands a comprehensive approach to program and policy decision making at both the State and local levels. Housing options in safe and vibrant neighborhoods for all of Maryland's residents are integral to achieving sustainable growth. Affordable and sustainable homeownership and rental housing opportunities are critical to strengthening Maryland's middle class and enabling families to meet their financial obligations today and in the future, particularly with current market challenges.

### **B. Mission and Vision**

**DHCD's mission** is to work with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work, and prosper.

**DHCD's vision** is that all Maryland citizens will have the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.

Underlying all of DHCD's housing and community development strategies is the vision to provide All Maryland citizens with the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.

## **II. History, Planning, Goals and Challenges**

### **A. History**

In 1987, the Maryland legislature combined programs for low-income housing, home financing, building codes, planning and community development from other offices throughout the State, to form the Department of Housing and Community Development (Chapter 311, Acts of 1987). The Department works to ensure available housing at all income levels, and encourage strong neighborhoods and viable communities. The Department funds or insures loans for purchase and construction of housing for low-income families; helps low- and moderate-income families buy or rehabilitate houses; and aids nonprofit organizations with grants or loans to house the elderly, developmentally disabled, and homeless. The Department also distributes federal rent subsidies to low-income families; oversees construction, including prefabricated buildings and mobile homes, to ensure that it meets building code standards; and offers weatherization and energy conservation aid to qualified groups and households. To revitalize commercial districts and blighted areas, plan growth and resource development, and provide housing for citizens not served by the private sector, the Department funnels federal and State funds to communities and supports community action and regional development agencies.

### **B. Planning**

The Maryland Department of Housing and Community Development (DHCD) planning elements currently include:

DHCD Strategic Plan The DHCD Strategic Plan establishes the overall housing and community development goals of the Department. *Insert language on current efforts.*

Consolidated Plan The Consolidated Plan is a planning document required by the U. S. Department of Housing and Urban Development (HUD). The Consolidated Plan must be submitted to HUD in order for the State to receive funding for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG) and Housing Opportunities for Persons With AIDS (HOPWA) entitlement programs, as well as

funding under competitive HUD programs. DHCD administered a total of more than \$322 million in federal funds \$53 million in state funds in fiscal year 2008.

The Plan covers a five-year period and is updated annually. The current Five Year Plan covers the period July 1, 2005 through June 30, 2009. The Plan is designed to coordinate Federal (and to a lesser extent State) resources to provide decent housing, economic opportunities, and an acceptable living environment to all Maryland citizens. DHCD's consolidated Plan primarily applies to the rural areas of the State and complements the Consolidated Plans adopted in the larger jurisdiction that receive funding directly from HUD.

Qualified Allocation Plan Maryland administers the Federal Low Income Housing Tax Credit Program to support the development of affordable multifamily rental housing. Annually, DHCD receives approximately \$ 11 million in tax credits to allocate to affordable rental housing development across Maryland. Credits are awarded competitively in conjunction with the State's Rental Housing Program funds and federal HOME funds. Tax credits are allocated in accordance with federal IRS rules and Maryland's Qualified Allocation Plan (QAP). Developers who receive an allocation of credits must comply with significant IRS requirements or face recapture of the credits.

The QAP incorporates by reference the Multifamily Rental Financing Program Guide, which ensures that all DHCD's multifamily financing resources are awarded in a consistent and coordinated manner that incorporates State policies, including policies of its sister agencies, such as Transportation, Health and Mental Hygiene, transportation, and Energy. For example, The QAP provides bonus points in application rating and ranking rounds to projects that have strong green building or Transportation Oriented Development (TOD) policies, or carry out certain aims of the Department such as providing housing for persons with disabilities.

Community Development Strategies DHCD currently requires various geographic targeting for its community revitalization efforts. These include:

- Designated Neighborhoods (support local revitalization strategies)
- Main and Maple Street Communities (revitalization strategies for traditional business districts and related residential areas)
- Community Legacy Areas (plan-based designation)
- DHCD Housing Finance Programs require housing to be located in Priority Funding Areas, and provide incentives for housing located near transportation, commercial, and employment centers
- Rental Housing Development Quality Criteria mandate energy efficiency standards and encourage green building criteria for both new construction and rehabilitation

- DHCD provides rental assistance to households with extremely low incomes or with special needs, including individuals with disabilities, increasing the households ability to live near employment, educational or transportation centers.

Base Realignment and Closure (BRAC) Plan - Housing and Community Development are an important component of the State's BRAC Action Plan. The plan sets out a range of action items to guide efforts to address the challenges and opportunities BRAC brings to many central Maryland communities. Activities in the plan are focused on coordinating with its partners to expand affordable and workforce housing opportunities; strengthening neighborhoods to attract new investment and BRAC-related growth; and enhancing the availability of information about Maryland's housing market and the resources that are available for homeowners and renters.

### **C. Goals**

(NOTE: Identified goals are derived from DHCD's managing for results goals as well as the Department's forthcoming Strategic Plan.)

#### **Goal #1 Advance the creation and preservation of affordable housing units.**

Objectives in this goal could include:

- Housing for all at all income levels
- Affordable housing options are provided for renters and homeowners in the same communities

#### **Goal #2 Advance the revitalization and preservation of existing communities and neighborhoods**

Objectives in this goal could include:

- Focus State investment on existing communities first
- State, local and private resources are coordinated to achieve community development objectives

#### **Goal #3 Work with partners to advance sustainable approaches to housing and community development**

Objectives in this goal could include:

- Housing priorities are integrated with economic development, transportation and environmental priorities

- Work in partnership with private and other public sectors to create and preserve affordable housing opportunities in all Maryland communities

### **C. Key Challenges**

Some key challenges could include:

1. Affordable housing is not considered in transportation, economic development, and land use decision making at the State and local level.
2. Insufficient financial resources to address housing affordability for households with low and very-low incomes, including people with disabilities on SSI/SSDI, homeless or those at risk of homelessness, or youth graduating from foster care.
3. Local opposition/NIMBYism is still a challenge to locating affordable housing in appropriate areas – near good jobs, schools and transportation options.
4. National challenges in the finance industry and housing market have prompted new challenges.
5. State and local regulations impact the cost of development thereby increasing the cost of housing.
6. Green Building, transit, and energy efficiency are key components of sustainability that should be continued to be implemented by the public and private sector.

## **IV Assessment**

This section of the Plan will include an assessment of both housing and community development needs and trends in Maryland.

### **Housing Assessment**

DHCD's overview of homeownership and rental opportunities in Maryland could include:

#### **Home Sale Patterns in Maryland by County**

- Average Sale Value by County
- Income Growth vs. Home Price Growth

#### **Affordable Housing Gap by County**

- Estimated number and types of families with housing needs by County
- Needs by Income Tier
- Need for housing assistance has moved from affordable to also now include workforce/moderate income
- Seniors
- Disabled
- Homeless
- Other Special Needs

### **Community Development Assessment**

#### **Neighborhood Typology**

- There are existing communities that have capacity to attract growth and revitalization (DHCD typologies)
- Vacant buildings from Census or Postal Service
- Overview of Targeted Areas Framework (CL, DN, BRAC Zones) (Maps and text)

#### **Jobs/Housing imbalance**

- Description of current imbalances by jurisdiction (Data from MDP)
- Where are the new jobs being created vs. new housing units

#### **Investment/Disinvestment in Existing Communities**

- DHCD Economic vitality index
- Foreclosures

### **Resources to address housing and community development issues**

Numerous (though inadequate) resources are available. DHCD has a range of programs, policies, and planning activities in place to meet Maryland's housing and community development needs.

- Federal Housing and Community Development Resources: HOME, CDBG, ESG, HOPWA, MRBS, LIHTC, Project Based Section 8, Weatherization, etc. Competitive programs as well
- State Housing and Community Development Resources: RHPP, Partnership, STHGP, DSELP, MHFP, IPP, MHRP, CL, NBW, Infrastructure Bond, CITC, etc.
- Private funds and leveraging
- Nonprofit resources
- Local resources
- State and Federal Resources that impact community development not controlled by DHCD: Highway Funds, EPA Funds, etc. administered by other agencies

### **Local Best Practices**

- Inclusionary Zoning
- Disposition of Government Land / Provision of Subsidies
- Transit Oriented Development
- Density Bonuses/Transfer of Development Rights
- Rural Zoning
- Project 5000/Land Bank
- Main Street
- Waiver of Impact Fees
- Housing Trust Funds
- Others?

## **V. General Implementation Strategy**

### **Goal #1 Advance the creation and preservation of affordable housing units.**

The implementation of this goal would include finding new sources of funding and exploring new avenues to promote the creation and preservation of affordable housing to advance the goals of the State Development Plan/State Housing Plan. Implementation strategies could include coordination of resources, review of current policies that inhibit the development of affordable housing, activities that demonstrate that the State should lead by example in program coordination.

### **Goal #2 Advance the revitalization and preservation of existing communities and neighborhoods**

The implementation of this goal would include efforts to direct Federal, State and local actions toward targeted areas where there is capacity to accommodate growth and development. This would include transit oriented development, BRAC zones, areas of Critical State Concern, and other activities to stimulate revitalization and housing.

### **Goal #3 Work with partners to advance sustainable approaches to housing and community development**

The implementation of this goal would include identifying a range of strategies that would build, strengthen and rely on partnerships to achieve sustainability. Such activities might include cross agency cooperation in the areas of homelessness or special needs housing, partnerships with local governments in planning and actions to address all housing needs, and reducing barriers to affordable housing.

